GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:6336
ANSWERED ON:06.05.2003
NATIONAL PHARMACEUTICAL PRICING AUTHORITY
VINAY KUMAR SORAKE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the drug pricing mechanism vested in the National Pharmaceutical Pricing Authority (NPPA)is heavily loaded against the masses who need affordable medication.

(b) if so, the facts thereof;

(c) whether it is a fact that to make the price fixing mechanism more user-friendly and the Government are going to consider making NPPA into an independent statutory authority insulated from the Government interference;

(d) if so, the details thereof;

(e) whether it is a fact that under NPPA`s dispensation a common drug like Nimesulide is sold at a profit margin of more than 1400%; and

(f) if so, the facts thereof and the reasons therefore and the action proposed to be taken in such cases?

Answer

THE MINISTER OF STATE FOR CHEMICALS & FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) to (d):Prices of Scheduled bulk drugs and formulations are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995 (DPCO,95), issued underthe Section 3 of the Essential Commodities Act, 1955(10 of 1955).

(e) and (f): The bulk drug Nimesulide and its formulations arenon-Scheduled under the DPCO,95. Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc.